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ANNUAL REPORT

OF THE

CANADIAN PACIFIC RAILWAY COMPANY

FOR THE

FISCAL YEAR ENDED JUNE 30TH

1903.

MONTREAL, AUGUST, 1903.

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ANNUAL REPORT
OF THE
CANADIAN PACIFIC RAILWAY COMPANY
FOR THE
FISCAL YEAR ENDED JUNE 30TH, 1903.

NOTICE TO SHAREHOLDERS.

The Twenty-Second Annual Meeting of the Shareholders of this Company for the election of Directors, and the transaction of business generally, will be held on WEDNESDAY, the 7th day of October next, at the principal office of the Company at Montreal, at twelve o'clock noon.

The Common Stock transfer books will close in Montreal, New York and London at 3 p.m. on Tuesday, 1st September.

The Preference Stock books will also close at 3 p.m. on Tuesday, 1st September. All books will be re-opened on Thursday, 8th October.

By order of the Board,

CHARLES DRINKWATER,

Secretary.

Montreal, August, 1903.

1290227

BOARD OF DIRECTORS

SIR WILLIAM C. VAN HORNE, K. C. M. G., *Chairman.*

THE RIGHT HON. LORD STRATHCONA AND MOUNT ROYAL,	G. C. M. G.	
MR. RICHARD B. ANGUS,	- - - - -	MONTREAL.
" EDMUND B. OSLER, M.P.,	- - - - -	TORONTO.
SIR SANDFORD FLEMING, K. C. M. G.,	- - - - -	OTTAWA.
MR. GEORGE R. HARRIS, of Messrs. Blake Bros. & Co.,	- - - - -	BOSTON.
" WILMOT D. MATTHEWS,	- - - - -	TORONTO.
" THOMAS SKINNER,	- - - - -	LONDON.
" CHARLES R. HOSMER,	- - - - -	MONTREAL.
THE HON. GEO. A. DRUMMOND, SENATOR,	- - - - -	do
THE HON. ROBT. MACKAY, SENATOR,	- - - - -	do
MR. R. G. REID,	- - - - -	do
" CLARENCE H. MACKAY,	- - - - -	NEW YORK.
" DAVID McNICOLL,	- - - - -	MONTREAL.
SIR THOMAS G. SHAUGHNESSY,	- - - - -	do

GENERAL OFFICERS

SIR THOMAS G. SHAUGHNESSY, <i>President,</i>	- - -	MONTREAL.
MR. D. McNICOLL, <i>2nd Vice-President and General Manager,</i>		do
" I. G. OGDEN, <i>3rd Vice-President,</i>	- - -	do
" GEO. M. BOSWORTH, <i>4th Vice-President,</i>	- - -	do
" CHAS. DRINKWATER, <i>Secretary,</i>	{ and Asst. to the President }	do
" A. R. CREELMAN, K.C. <i>Chief Solicitor,</i>	- - -	do
" W. SUTHERLAND TAYLOR, <i>Treasurer,</i>	- - -	do
" C. W. SPENCER, <i>Gen. Supt. of Transportation,</i>	- - -	do
" ROBT. KERR, <i>Passenger Traffic Manager,</i>	- - -	do
" W. R. MACINNES, <i>Freight Traffic Manager,</i>	- - -	do
" E. H. McHENRY, <i>Chief Engineer,</i>	- - -	do
" J. W. LEONARD,	{ Assistant General Manager of lines West of Lake Superior,	WINNIPEG.
" W. WHYTE, <i>Assistant to the President,</i>	- - -	do
" W. R. BAKER, <i>Assistant to the 2nd Vice-President,</i>	- - -	MONTREAL.
" ARTHUR PIERS, <i>Manager of Steamship Lines,</i>	- - -	do
" R. MARPOLE, <i>Gen. Supt. Pacific Division,</i>	- - -	VANCOUVER.
" H. P. TIMMERMAN, <i>Gen. Supt. Ontario Division,</i>	- - -	TORONTO.
" JAMES OBORNE, <i>Gen. Supt. Eastern Division,</i>	- - -	MONTREAL.
" R. R. JAMIESON, <i>Gen. Supt. Western Division,</i>	- - -	CALGARY.
" WILLIAM DOWNIE, <i>Gen. Supt. Atlantic Division,</i>	- - -	ST. JOHN, N.B.
" G. J. BURY, <i>Gen. Supt. Lake Superior Division,</i>	- - -	NORTH BAY.
" JAS. KENT, <i>Manager of Telegraphs,</i>	- - -	MONTREAL.
" F. T. GRIFFIN, <i>Land Commissioner,</i>	- - -	WINNIPEG.
" J. S. DENNIS, <i>Supt. of Irrigation and B.C.Ld. Commissioner,</i>	- - -	CALGARY.
" HARRY MOODY,	{ Deputy Secretary and Registrar of Transfers, 1 Queen Victoria St.,	London, E.C.
" ARCHER BAKER,	{ European Traffic Manager, 67 and 68 King William Street,	do
Agents of the Bank of Montreal, <i>Transfer Agents,</i> - 59 Wall St., NEW YORK.		
Montreal Transfer Office, - - - Office of the Secretary, Montreal.		

EXECUTIVE COMMITTEE

SIR WILLIAM C. VAN HORNE, K. C. M. G., *Chairman.*

THE RIGHT HON. LORD STRATHCONA AND MOUNT ROYAL,	G. C. M. G.
MR. RICHARD B. ANGUS,	MR. EDMUND B. OSLER, M.P.
SIR THOMAS G. SHAUGHNESSY,	

CANADIAN PACIFIC RAILWAY COMPANY

TWENTY-SECOND ANNUAL REPORT

OF THE

DIRECTORS OF THE CANADIAN PACIFIC RAILWAY COMPANY
FOR THE YEAR ENDED JUNE 30TH, 1903.

To the Shareholders.

The accounts of the Company for the year ended
June 30th, 1903, show the following results :—

Gross Earnings.....	\$43,957,373.04
Working Expenses.....	28,120,527.26
Net Earnings.....	\$15,836,845.78
Interest on deposits and loans.....	\$614,932.41
Interest due from the Duluth South Shore & Atlantic Ry. Co. on Consolidated bonds held by the Company.....	\$604,280.00
Less advanced by the Company.....	142,280.00
	462,000.00
Interest from Minneapolis St. Paul & Sault Ste. Marie Ry. Co. on bonds held by the Company.....	159,720.00
Interest from Mineral Range Railroad Co. on Bonds held by the Company.....	50,160.00
	1,286,812.41
	\$17,123,658.19
Deduct Fixed Charges.....	7,052,197.27
Surplus.....	\$10,071,460.92
Deduct amount applied against cost of Steamships.....	150,000.00
	\$ 9,921,460.92
Carried forward.....	\$ 9,921,460.92

<i>Brought Forward</i>	\$ 9,921,460.92
From this there has been charged a half yearly dividend on Preference Stock of 2 per cent. paid 1st April, 1903.....	\$ 650,000.00
And a half-yearly dividend on Ordinary Stock of 2½ per cent., paid 1st April, 1903.....	2,112,500.00
	<hr/> 2,762,500.00
	\$ 7,158,960.92

From this there has been declared a second half-yearly dividend on Preference Stock of 2 per cent., payable 1st October, 1903.....	\$ 650,000.00
And a second half-yearly dividend on Ordinary Stock of 3 per cent., payable October 1st, 1903.....	2,535,000.00
	<hr/>

2. The working expenses for the year amounted to 63.97 per cent. of the gross earnings, and the net earnings to 36.03 per cent., as compared with 62.44 and 37.56 per cent. respectively in 1902.

3. Your Directors deemed it desirable to acquire for your Company control of the Kingston and Pembroke Railway, extending from Renfrew, on your main line, to Kingston, on Lake Ontario, a distance of 104 miles. It has been arranged that this be done at a cost of \$848,744, and you will be asked to approve the expenditure :—22,602 shares of the Preferred Stock and 35,182 shares of the Common Stock, constituting about 83 per cent. of the whole capital of the Kingston and Pembroke Railway Company, will be deposited with your Treasury securities. The line is now being operated under working arrangements with that Company, pending the execution of a formal lease which will be submitted for your approval.

4. For several years past your Company has been operating the Calgary and Edmonton Railway for account of the owners, receiving in return the benefit of all the traffic in either direction between points on the Calgary and Edmonton line and points reached by your system. The country along the line has been settled with considerable rapidity and the contributed traffic has grown to large proportions. Under these circumstances, your Directors thought it wise to prevent the possibility of the railway passing into unfriendly hands, and, therefore, they entered

into an agreement to lease the line, extending from Macleod to Edmonton, in Alberta, a distance of 296 miles, for a period of ninety-nine years, guaranteeing by way of rental 4 per cent. per annum on the Calgary and Edmonton Railway Company's Consolidated Debenture Stock, amounting to £1,121,700. To ensure the complete control of the property and its franchises, your Directors contracted to purchase for your Company all of the Capital Stock of the Calgary and Edmonton Railway Company for the sum of \$500,000. You will be asked to formally sanction their action and to approve the lease.

5. An agreement has been made with the Lindsay, Bobcaygeon and Pontypool Railway Company for the lease, on its completion, of that Company's line from Burketon, on the main line of your Ontario and Quebec Section, to Lindsay and Bobcaygeon, a distance of about 40 miles. The rental to be paid is 40% of the gross earnings, but not less than \$20,000 per annum, with the option to your Company of acquiring the full ownership of the property at any time within twelve years, by undertaking to pay an increased rental not exceeding in all \$28,000 per annum. The agreement will be submitted for your approval.

6. The residue of the issue of Preference Stock previously authorized by you for the purposes of the Company, amounting to £273,082, was created and sold during the year. Four per cent. Consolidated Debenture Stock to the amount of £764,350 was also created and sold, and the proceeds were used to cover the cost of the Pacific Coast steamships, and for the acquisition of the bonds of other Companies whose lines constitute a portion of your system, the interest on which had, with your authority, been guaranteed by your Company.

7. The land sales for the year amounted to 2,639,617 acres for the price of \$9,695,673, being an average of \$3.67 per acre.

8. During the year the guarantee of your Company as to interest was endorsed on Consolidated Bonds of the Minneapolis St. Paul and Sault Ste. Marie Railway Company to the amount of \$2,454,000, representing the cost of 122 $\frac{7}{10}$ th miles of additional railway constructed by that Company.

9. To meet the pressing requirements of settlers, many of whom came into the country during the past two years, your Directors authorized the construction of a railway between Regina, on the main line, and Arcola, the present terminus of the Pipestone Branch, a distance of about 113 miles; and an arrangement has been made whereby the Manitoba and North-Western Railway will be extended an additional distance of 33 miles. You will be asked to approve the construction of these lines and to authorize the creation and sale of sufficient 4 per cent. Consolidated Debenture Stock for the purpose.

10. The original \$25,000,000 of 5 per cent. Land Grant Bonds having been satisfied, the mortgage securing them has been cancelled. There remain outstanding \$15,000,000 Land Bonds bearing interest at the rate of $3\frac{1}{2}$ per cent. per annum guaranteed by the Dominion Government. The proceeds of the sales of lands covered by the mortgage securing these bonds will be deposited with the Dominion Government in accordance with the terms of the Statute. Five hundred thousand dollars have been thus deposited during the past year, and the amount due on deferred payments will go far toward liquidating the whole amount in the next few years, when the residue of your lands will be relieved of the mortgage and the bonds will become a Government obligation; in the meantime, the Government pays interest on the deposits at the rate of $3\frac{1}{2}$ per cent. per annum.

11. Under the authority of the resolution passed at the last annual meeting, your Directors purchased from the Elder Dempster Company fifteen steamships constituting that Company's Canadian-Atlantic fleet, the purchase price of the vessels and of the good-will of the sellers being £1,417,500 sterling. This amount has been temporarily advanced from your surplus earnings pending the issue and sale of 4 per cent. Consolidated Debenture Stock to a like amount which you will be asked to authorize at this meeting. An unfortunate accident resulted in the loss of one of the freight steamers. The amount required in excess of the insurance to replace this vessel will, of course, be charged against revenue.

12. Of the proceeds of the sale of \$19,500,000 Ordinary Shares, there had been expended to the end of the fiscal year \$17,228,953 (see exhibit "H"), and there were orders outstanding for cars and locomotives undelivered amounting to \$4,221,865. Since then additional orders have been placed to the amount of \$1,351,000, and it is proposed to continue the policy of increasing the rolling stock equipment as rapidly as circumstances will permit, until the Company is well ahead of its immediate requirements. When these contracts have been filled, the proceeds of the issue of Common shares, as well as the amount of \$3,000,000 appropriated from surplus earnings, will have been absorbed. The cost of cars and locomotives purchased during the last couple of years has been substantially increased, because of the necessity for getting so many of them outside of Canada, and paying the Canadian duty on their importation. In the near future, when your own shops have been completed, it is expected that you will be able to build yourselves most of the cars and locomotives required, thus saving the manufacturers' profit and the duty. Your Directors will ask authority to expend \$5,000,000 during the next year on various classes of equipment in addition to all orders that have been placed up to this time.

Many of the new works on which capital has been expended are being carried out on a more comprehensive scale than was originally contemplated, and the increase of nearly 50 per cent. within three years in the tonnage moved annually has made it imperative that you should, for the convenience of the public and your own financial advantage, provide forthwith many additional facilities, calculated to assist in promoting promptness and economy in the handling of your traffic, that under ordinary conditions might have been spread over a number of years. Notwithstanding your large outlay in the past for lands, tracks, buildings and other works at your more important terminals like St. John, Montreal, Toronto, Ottawa and Winnipeg, the facilities at most of these points are quite inadequate for present demands, and, as a result, there is frequent congestion resulting in inconvenience and expense to everybody concerned. With a view to remedying these conditions, and in order that the work of bringing your property

to a high standard of efficiency may be continued without cessation, you will be asked to authorize the Directors to expend capital for these general purposes to an amount not exceeding \$4,500,000.

For the Directors,

T. G. SHAUGHNESSY,
President.

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CANADIAN PACIFIC
CONDENSED BALANCE

COST OF RAILWAY AND EQUIPMENT.....		\$ 242,769,210.31
OCEAN, LAKE AND RIVER STEAMSHIPS.....	\$ 5,803,424.37	
Less amount applied in reduction of cost.....	<u>1,968,224.69</u>	3,835,199.68
PACIFIC COAST STEAMSHIPS.....		956,150.13
ATLANTIC STEAMSHIPS.....		6,979,783.13
ACQUIRED SECURITIES HELD (COST):		
Exhibit "A".....		43,470,868.83
HOTELS, BUILDINGS AND PROPERTIES HELD IN TRUST FOR THE COMPANY.....		2,266,634.85
DEFERRED PAYMENTS ON LAND AND TOWN SITE SALES		13,914,480.27
ADVANCES:		
To Montreal & Atlantic Ry., secured by \$500,000 First Mortgage Bonds.....		424,144.80
To Duluth South Shore & Atlantic Ry., Car Trusts, etc.....		236,213.19
ADVANCES TO NEW LINES UNDER CONSTRUCTION....		2,412,903.08
MATERIAL AND SUPPLIES ON HAND.....		5,498,788.24
STATION AND TRAFFIC BALANCES, ACCOUNTS RECEIVABLE.....		4,918,698.05
MISCELLANEOUS SECURITIES AND ADVANCES:		
Exhibit "B".....		1,606,902.55
IMPERIAL AND DOMINION GOVERNMENTS:		
Accounts due for mail transportation.....		236,687.54
CASH IN HAND.....	19,145,168.81	
Less amount temporarily advanced for purchase Atlantic Steamships pending issue of Securities.....	<u>6,972,556.78</u>	<u>12,172,612.03</u>
		<u>\$ 341,699,276.68</u>

NOTE.—In addition to the above Assets, the Company owns 12,681,776 acres of land in Manitoba and the Territories (average sales past year \$3.67 per acre) and 3,759,418 acres in British Columbia.

RAILWAY COMPANY

SHEET JUNE 30, 1903

CAPITAL STOCK.....		\$ 84,500,000.00
FOUR PER CENT. PREFERENCE STOCK.....		32,500,000.00
FOUR PER CENT. CONSOLIDATED DEBENTURE STOCK.....		67,252,252.52
MORTGAGE BONDS:		
First Mortgage Bonds, 5 per cent.	\$ 34,998,633.33	
Canada Central Ry. 6 per cent.	973,333.33	
Due Province of Quebec on Q. M. O. & O. & North Shore Ry.	7,000,000.00	
Algoma Branch 1st Mortgage.	3,650,000.00	
North Shore Ry. 1st Mortgage.	616,119.67	
		47,238,086.33
LAND GRANT BONDS:		
Guaranteed $3\frac{1}{2}$ per cent. Land Bonds.	15,000,000.00	
Less amount paid Dominion Government towards redemption	500,000.00	
		14,500,000.00
CURRENT ACCOUNTS, PAY ROLLS AND TRAFFIC BALANCES		7,153,477.17
INTEREST ON FUNDED DEBT AND RENTAL OF LEASED LINES:		
Coupons due July 1st, 1903, and including coupons overdue, not presented	1,487,015.35	
Accrued to date, not due.	285,055.31	
		1,772,070.66
EQUIPMENT REPLACEMENT FUND		588,543.43
CASH SUBSIDIES FROM DOMINION AND PROVINCIAL GOVERNMENT AND MUNICIPALITIES...		30,229,109.07
LAND GRANT:		
Sales of land and town sites.....		37,119,561.70
SURPLUS		18,846,175.80
		<u>\$ 341,699,276.68</u>

I. G. OGDEN,

3rd Vice-President.

FIXED CHARGES FOR YEAR ENDED JUNE 30TH, 1903

£7,191,500	1st Mortgage Bonds 5% due July 1st, 1915.....	\$1,749,931.66
\$7,000,000	Province of Quebec, 4½%.....	283,500.00
£1,100	North Shore Ry. 1st Mortgage 5% Bonds due April 20th, 1904.....	267.66
£200,000	Canada Central Ry. 2nd Mortgage 6% Bonds due Nov. 1st, 1910.....	58,400.00
£200,000	St. Lawrence & Ottawa Ry. 4% 1st Mortgage Bonds due June 15th, 1910.....	38,933.34
\$2,544,000	Man. South Western Colonization Ry. 1st Mortgage 5% Bonds due June 1st, 1934.....	127,200.00
	Toronto, Grey and Bruce Ry. Rental.....	140,000.00
£4,007,381 15s. 5d.	Ontario and Quebec Ry. Debenture Stock 5%.....	975,129.56
\$2,000,000	Ontario and Quebec Ry. (Ordinary Stock) 6%.....	120,000.00
£1,330,000	Atlantic & North West Ry. 1st Mortgage Bonds (less Government proportion) due Jan. 1st, 1937...	136,333.34
£750,000	Algoma Branch 5% First Mortgage Bonds due July 1st, 1937.....	182,500.00
	Rental, Farnham to Brigham Jet.....	1,400.00
	Rental, Mattawamkeag to Vanceboro.....	23,800.00
	Rental, New Brunswick Railway system.....	372,829.74
	Rental of Terminals at Toronto.....	32,957.89
	Rental of Terminals at Hamilton.....	32,791.39
	Rental, Hamilton Junction to Toronto.....	40,027.86
	Rental, St. Stephen and Milltown Ry.....	2,050.00
	Interest on Montreal and Western Ry. purchase...	20,098.73
	Interest on equipment leases.....	93,486.06

4% DEBENTURE STOCK

Issue for general purposes	£ 3,933,748
Issue for China and Japan Steamers.....	720,000
Issue for Souris Branch.....	1,004,000
Issue to retire Canada Central Ry. 1st Mortgage Bonds....	250,000
Issue for Branch lines.....	581,250
Issue for Pacific Coast Steamers.....	225,000
Issue for acquiring Mortgage Bonds of Roads of which principal or interest is guaranteed by C. P. Ry.....	7,104,958
	<hr/>
	£13,818,956

1 Year on £13,104,606	
6 Mos. on £ 714,350	

\$2,620,560.04

\$7,052,197.27

EXHIBIT "A"

ACQUIRED SECURITIES HELD

MORTGAGE BONDS

			PAR VALUE
Atlantic & North-West Ry., Eganville Branch.....	4%	First Mortgage.....	\$ 302,400.00
British Columbia Southern Ry.....	5%	First "	967,500.00
Columbia & Kootenay Ry..	4%	First "	1,277,500.00
Columbia & Western Ry....	5%	First "	5,691,000.00
Duluth South Shore & At- lantic Ry.....	4%	Consolidated Mortgage.....	15,107,000.00
Great North West Central Ry.....	5%	First "	875,000.00
Minneapolis, St. Paul & Sault Ste. Marie Ry....	4%	Consolidated "	3,993,000.00
Mineral Range Railroad....	4%	First "	1,254,000.00
Manitoba & North Western Ry	6%	First "	£539,900.. 2,627,513.33
Manitoba & North Western Ry., Shell River Branch	5%	First "	£ 33,000.. 160,600.00
Saskatchewan & Western Ry	5%	First "	£ 37,200.. 181,040.00
Montreal & Ottawa Ry.....	5%	First "	1,636,250.00
Manitoba South Western Colonization Railway...	5%	First "	72,000.00
North Shore Railway.....	5%	First "	610,766.67
Kootenay & Arrowhead Ry.	5%	First "	780,000.00
Vancouver & Lulu Island Ry.....	5%	First "	280,000.00
Great North West Cen. Ry.	5%	First "	500,000.00
Ottawa, Northern & West- ern Ry.....	4%	First "	3,075,000.00
Amount paid on account \$2,091,234.04			
Pacific Steamships.....	4%	First "	£720,000.. 3,504,000.00
Souris Branch.....	4%	First "	£400,000.. 1,946,666.67
Pacific Coast Steamships ..	5%	First "	£225,000.. 1,095,000.00
			<u>\$45,936,236.67</u>
Duluth South Shore & At- lantic Ry.....	..	Income Certificates.....	<u>\$3,000,000.00</u>

STOCKS

Atlantic & North-West Ry.	5%	Guaranteed Stock.....	\$3,240,000.00
Duluth South Shore & At- lantic Ry.....		Preferred "	5,100,000.00
Duluth South Shore & At- lantic Ry.....		Ordinary "	6,100,000.00
Minneapolis St. Paul & Sault Ste. Marie Ry....		Preferred "	3,533,400.00
Minneapolis St. Paul & Sault Ste. Marie Ry....		Ordinary "	7,066,600.00
Manitoba & North Western Railway	5%	Debenture "	£126,000..... 613,200.00
Manitoba & North Western Railway	5%	Preferred "	415,000.00
Manitoba & North Western Railway		Common "	5,612,113.63
Montreal & Atlantic Ry....		Common "	2,160,000.00
Saskatchewan & Western Railway		Common "	232,500.00
Ottawa, Northern & West- ern Railway.....		Common "	1,300,000.00
			<u>\$35,372,813.63</u>

EXHIBIT "B"

DETAILS OF BALANCE SHEET ITEM

"MISCELLANEOUS SECURITIES AND ADVANCES"

CHATEAU FRONTENAC, (QUEBEC HOTEL,) Stock	\$ 280,000.00
CANADA NORTHWEST LAND Co., STOCK, (cost).....	518,087.27
(Taken by this Company in 1882, as one of the terms of the sale of 2,200,000 acres of land to the C.N.W. Ld. Co.)	
NIAGARA BRIDGE & REAL ESTATE.....	97,823.57
(Acquired in 1890, with view to extension of line from Wood- stock and Hamilton to Niagara Falls.)	
DOMINION EXPRESS COMPANY, STOCK.....	113,750.00
(This Company's Express, the stock of which is all held in the Treasury. Amount paid up represents cost of original equip- ment and organization.)	
INSURANCE PREMIUMS PREPAID.....	331,605.31
(On contract to secure advantageous terms.)	
SOUTH ONTARIO PACIFIC RAILWAY STOCK	20,000.00
(This Company's organization for line, Woodstock, Hamilton and Niagara Falls.)	
NAKUSP & SLOCAN RAILWAY STOCK	35,000.00
ONTARIO & QUEBEC RAILWAY STOCK, (cost).....	7,650.00
VICTORIA ROLLING STOCK CO. BONDS.....	187,986.40
TOWN OF MORRIS, MAN., BONDS	15,000.00
	<hr/>
	\$1,606,902.55
	<hr/>

EXHIBIT "C" LANDS

SALES—	ACRES	AMOUNT REALIZED	AVERAGE PER ACRE
CANADIAN PACIFIC LAND GRANT—			
(includes Souris Branch Grant)			
July 1st, 1902 to June 30th, 1903,	2,260,731	\$ 8,473,573	\$3.75
July 1st, 1901 to June 30th, 1902,	1,362,852	4,422,136	3.26
MAN. SOUTH WESTERN GRANT—			
July 1st, 1902 to June 30th, 1903,	250,452	699,610	2.79
July 1st, 1901 to June 30th, 1902,	206,412	713,366	3.46
GREAT NORTH WEST CENTRAL GRANT—			
July 1st, 1902 to June 30th, 1903,	128,434	522,490	4.07
July 1st, 1901 to June 30th, 1902,	19,804	72,260	3.65
TOTAL SALES—			
July 1st, 1902 to June 30th, 1903,	2,659,617	\$9,695,673	\$3.67
July 1st, 1901 to June 30th, 1902,	1,589,068	5,227,762	3.29

POSITION OF LAND GRANTS AT JUNE 30TH, 1903

CANADIAN PACIFIC—	ACRES	ACRES
Original Grant	25,000,000	
Disposed of to the Dominion Government under agreement of March 30th, 1886,	6 793,014	
	18,206,986	
SOURIS BRANCH GRANT.....	1,611,520	
	19,818,506	
Sales to June 30th, 1903.....	8,352,949	
Less, cancelled during year.....	23,802	
	8,329,147	
Quantity of land unsold.....		11,489,359
MANITOBA SOUTH WESTERN—		
Total Grant.....	1,396,800	
Sales to June 30th, 1903.....	993,639	
Less, cancelled during year.....	2,544	
	991,095	
Quantity of land unsold.....		405,705
GREAT NORTH WEST CENTRAL—		
Total Grant.....	320,004	
Sales to June 30th, 1903.....	148,238	
Less, cancelled during year.....	14,946	
	133,292	
Quantity of land unsold.....		186,712
Total agricultural land owned by the Company.....		12,081,776

BRITISH COLUMBIA LANDS

COLUMBIA & KOOTENAY—		
Total Grant.....	190,000	
Sales to June 30th, 1903.....	29,569	
Quantity of land unsold.....		160,431
BRITISH COLUMBIA SOUTHERN—		
Total Grant.....	3,600,000	
Sales to June 30th, 1903.....	1,013	
	3,598,987	
Total British Columbia lands owned by the Company.....		3,759,418

In addition to the foregoing the Company is to receive through the Columbia & Western Ry. about 2,500,000 acres of land.

EXHIBIT "D"

CONSTRUCTION—ACQUIRED AND BRANCH LINES

Souris Branch—Pipestone Extension.....	\$ 28,115.33
do Arcola Extension.....	69,692.90
Snowflake Branch.....	104,008.25
Lake Winnipeg Branch.....	292,737.10
Waskada Branch.....	253,100.04
Lac du Bonnet Branch.....	32.35
McGregor Branch.....	104,017.28
Stonewall Branch.....	618.84
Vancouver and New Westminster Railway.....	136.59
Surveys projected lines.....	96,661.83
	<hr/>
	\$ 949,120.51

EXHIBIT "E"

DETAILS OF EXPENDITURE ON ADDITIONS AND IMPROVEMENTS FROM
JULY 1ST, 1902, TO JUNE 30TH, 1903

MAIN LINE:

QUEBEC TO BONFIELD:

Additional sidings, buildings, stations and yards	\$ 71,567.11	
Permanent bridges and improvements of line ..	37,658.74	
Payment account purchase of Canada Central Railway	475.39	
	<hr/>	\$ 109,701.24

BONFIELD TO PORT ARTHUR:

Additional sidings, buildings, stations and yards	\$212,964.99	
Permanent bridges and improvements of line...	339,525.78	
Wharves, docks and warehouses.....	6,149.89	
	<hr/>	558,640.66

PORT ARTHUR TO LAGGAN:

Additional sidings, buildings, stations and yards.....	\$479,869.86	
Permanent bridges and improvements of line...	375,171.21	
Winnipeg terminals.....	37,834.92	
Wharves, docks and warehouses.....	64,130.87	
Coal handling plant, Fort William.....	162,805.63	
Annex Elevators B and D. Fort William.....	678,165.30	
	<hr/>	1,797,977.79
Less:—Amount received from Dominion Government rebate of duty on bridge material...	128,365.70	
	<hr/>	1,669,612.09

LAGGAN TO PACIFIC COAST:

Additional sidings, buildings, stations and yards	\$161,819.06	
Permanent bridges and improvements of line...	187,246.43	
Wharves, docks and warehouses.....	27,920.10	
Diversion of line between Field and Ottertail....	82,277.94	
	<hr/>	459,263.53
Montreal terminals.....		375,380.15
		<hr/>
Total, Main Line carried forward.....		\$3,172,597.67

Main Line brought forward.....		\$3,172,597.67
BRANCH LINES:		
South Western Branch	23,644.33	
Revelstoke and Arrow Lake Branch.....	226.88	
Nakusp and Slocan Branch.....	4,353.43	
Mission Branch.....	3,329.91	
Buckingham Branch.....	479.80	
SOURIS BRANCH:		
Additional sidings, buildings, stations and yards.....	35,480.02	
Permanent bridges and improve- ments of line.....	34,430.74	
	<hr/>	69,910.76
ALGOMA BRANCH:		
Additional sidings, buildings, stations and yards.....	13,576.32	
Permanent bridges and improve- ments of line.....	48,353.83	
	<hr/>	61,930.15
CROW'S NEST PASS BRANCH:		
Additional sidings, buildings, stations and yards.....	16,202.71	
Permanent bridges and improve- ments of line.....	33,145.13	
	<hr/>	49,347.84
	<hr/>	213,223.10
Telegraph Extensions and Additions.....		169,783.29
Rented and temporary sidings.....		82,044.80
Total for improvements, Main Line and Branches	\$	<u><u>3,637,648.86</u></u>

EXHIBIT "F"

DETAILS OF EXPENDITURE ON LEASED AND ACQUIRED LINES

FROM JULY 1st, 1902, TO JUNE 30th, 1903.

ONTARIO AND QUEBEC RAILWAY

Additional sidings, buildings, stations and yards...	\$ 107,190.32	
Permanent bridges and improvements of line.....	157,758.51	
		<u>\$ 264,948.83</u>

ATLANTIC AND NORTH-WEST RAILWAY :

Additional sidings, buildings, stations and yards ...	\$ 46,482.86	
Permanent bridges and improvements of line.....	146,962.81	
		<u>193,445.67</u>

NEW BRUNSWICK RAILWAY :

Additional sidings, buildings, stations and yards ...	\$ 46,447.58	
Permanent bridges and improvements of line.....	48,262.33	
Wharves, docks and warehouses.....	8,524.66	
West St. John yard improvements.....	34,529.05	
		<u>137,768.62</u>

MONTREAL AND WESTERN RAILWAY :

Additional sidings, buildings, stations and yards ...	\$ 6,861.77	
Account purchase of road	7,765.38	
		<u>14,627.15</u>

MANITOBA SOUTH-WESTERN COLONIZATION RAILWAY:

Additional sidings, buildings, stations and yards ...	\$ 11,919.84	
Permanent bridges and improvements of line.....	22,666.25	
		<u>34,586.09</u>

COLUMBIA AND KOOTENAY RAILWAY :

Additional sidings, buildings, stations and yards ...	\$ 3,321.47	
Permanent bridges and improvements of line.....	109,202.95	
		<u>112,524.42</u>

MANITOBA AND NORTH-WESTERN RAILWAY :

Additional sidings, buildings, stations and yards...	\$ 8,138.37	
Permanent bridges and improvements of line.....	7,515.83	
		<u>15,654.20</u>

GREAT NORTH-WEST CENTRAL RAILWAY :

Additional sidings, buildings, stations and yards...	\$ 2,920.31	
Permanent bridges and improvements of line.....	3,915.00	
		<u>6,835.31</u>

LAKE TEMISCAMINGUE COLONIZATION RAILWAY :

Additional sidings, buildings, stations and yards...	2,105.28	
Permanent bridges and improvements of line.....	791.19	
		<u>2,896.47</u>

BRITISH COLUMBIA SOUTHERN RAILWAY :

Additional sidings, buildings, stations and yards...	35,914.33	
Permanent bridges and improvements of line.....	58,087.30	
Loop tunnel	3,083.53	
Balfour extension.....	2,599.74	
		<u>99,684.90</u>

Total leased and acquired lines.....		<u>\$ 882,966.66</u>
--------------------------------------	--	----------------------

EXHIBIT "G"

DETAILS OF BALANCE SHEET ITEM

LAND GRANT

8,329,147 acres and Townsites sold, amounting to.....	\$28,478,368.20
6,793,014 acres disposed of to the Dominion Government	
in 1886.....	10,189,521.00

\$38,667,889.20

*Less:—*Expenses, cultivation rebate, and 10 p.c. on Land

Grant Bonds retired and cancelled.....	3,872,352.83
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\$34,795,536.37

*Add:—*Proceeds Manitoba South Western Colonization

Ry. Land Sales.....	1,790,396.24
Proceeds Columbia and Kootenay Ry. Land Sales.....	25,079.36
Proceeds Great North West Central Ry. Land Sales.....	497,274.20
Proceeds Manitoba and North Western Ry. Land Sales.....	11,275.53

\$37,119,561.70

EXHIBIT "H."

SUMMARY STATEMENT OF EXPENDITURE OF PROCEEDS OF ISSUE NEW
CAPITAL STOCK.

Locomotives.....	127	2,372,205.04
Sleeping, Parlor, Dining, Official and Pay Cars....	32	464,128.68
Passenger, Tourist and Colonist Coaches.....	48	432,636.53
Baggage, Mail and Express Cars.....	14	62,600.91
Conductors' Vans.....	135	113,970.41
Box, Stock, Refrigerator and Furniture Cars.....	4,110	3,717,542.89
Flat, Coal and Ore Cars.....	1,680	1,282,716.92
Other Cars and Snow Plows.....	42	269,895.62
New Shops under construction at Montreal, and additional machinery.....	1,268,131.66	
Additional shops and machinery at other points.....	162,696.46	
		1,430,828.12
Reduction of grades and improvements of line.....		2,924,643.24
Sidings :—Business	157,036.99	
Crossing	561,038.13	
		718,075.12
Terminals :—Property acquired for and expenditure to enlarge terminals at		
Ottawa	4,706.40	
Montreal.....	728,384.18	
Winnipeg.....	59,531.60	
		792,622.18
Increased Station, Yard and other accomodation at other points on system.....	1,269,839.58	
Additional Elevators, Ft. William and Port Arthur.....	718,670.51	
Wharves, Docks, Warehouses and Coal Handling plants .	397,913.06	
Telegraph Extensions and Additions	260,665.03	
		4,157,785.48
		<u>\$17,228,953.84</u>

RECEIPTS AND EXPENDITURES
YEAR ENDED JUNE 30TH, 1903

Cash in hand June 30th, 1902.....\$ 15,227,691.47

RECEIPTS:

Surplus revenue, as per statement..... 10,071,460.92

LAND DEPARTMENT

Lands and Townsites

Net proceeds of sales..... \$ 9,632,048.31

Less amounts remaining in Deferred Payments.... 7,944,841.33

\$ 1,687,206.98

Collection of Deferred Payments on previous years'

sales..... 1,220,821.57

2,908,028.55

OCEAN, LAKE AND RIVER STEAMERS:

Sale of Steamers Walsh and Illecillewaet..... \$ 14,750.00

Less applied to completion of Steamer..... 3,571.79

11,178.21

BONUSES

Dominion Government subsidy on

Crows Nest Pass Branch..... \$ 60,000.00

Lake Winnipeg Branch..... 81,650.00

Kootenay and Arrowhead Ry..... 42,771.00

Province of Manitoba subsidy on

Branch Lines in Manitoba..... 75,000.00

259,421.00

SUBSCRIPTION TO \$19,500,000.00 ADDITIONAL ORDINARY STOCK

Payments of remaining instalments and premium on unsubscribed stock sold..... 11,946,164.73

FOUR PER CENT. PREFERENCE STOCK

Amount realized from issue of £273,082..... 1,401,902.88

CONSOLIDATED DEBENTURE STOCK

Amount realized from issue of £764,350..... 4,123,483.19

\$ 45,949,330.95

DEDUCT INCREASE IN ACCOUNTS RECEIVABLE

Stations and traffic balances..... \$ 4,918,698.05

Advances to new lines under construction..... 2,412,903.08

Miscellaneous securities and advances..... 1,606,902.55

Due from Imperial and Dominion Governments.... 236,687.54

9,175,191.22

Less, amounts at June 30th, 1902..... 7,271,354.35

1,903,836.87

\$44,045,494.08

EXPENDITURES:

Dividends on Preference Stock,		
2 per cent paid October 1st, 1902	\$ 623,420.00	
2 per cent paid April 1st, 1903	650,000.00	
	<hr/>	\$1,273,420.00
Dividends on Ordinary Stock,		
2½ per cent paid October 1st, 1902	1,625,000.00	
2½ per cent paid April 1st, 1903	2,112,500.00	
	<hr/>	3,737,500.00
Pension Fund,		
Amount paid to the fund as authorized at Shareholders meeting October 2nd, 1901		250,000.00
Hotels, buildings and properties held in trust for the Company.		481,222.86
Construction acquired and branch lines, Exhibit "D"		949,120.51
Additions and improvements, main line and branches, Exhibit "E"		3,637,648.86
Additions and improvements, leased and acquired lines, Ex- hibit "F"		882,966.66
Rolling stock, shops and machinery		6,766,026.83
New Montreal shops		852,445.69
Pacific Coast Steamships		956,150.13
Atlantic Steamships,		
Amount of purchase temporarily advanced from earnings.		6,979,783.13
Land grant bonds,		
Amount paid in redemption of 5% bonds	\$ 1,573,000.00	
Amount paid on account of 3½% bonds	500,000.00	
	<hr/>	2,073,000.00
<u>Securities Acquired</u>		
Manitoba & North West Ry. System securities. \$	924.67	
Kootenay & Arrowhead Ry. 1st mortgage bonds.	854,128.95	
Great North West Central Ry., Forest Extension 1st mortgage bonds	551,886.45	
Vancouver & Lulu Island Ry., 1st mortgage bonds	308,987.84	
Ottawa, Northern & Western Ry., on account 1st mortgage bonds	2,091,234.04	
	<hr/>	3,807,161.95
Increase in material and stores in hand		1,048,261.26
		<hr/>
		\$33,694,707.88
Less increase in current liabilities		1,821,825.83
		<hr/>
		\$31,872,882.05
Cash in hand		12,172,612.03
		<hr/>
		\$44,045,494.08
		<hr/>

STATEMENT OF EARNINGS FOR THE YEAR ENDED JUNE 30TH, 1903

From Passengers.....	\$11,001,973.71
“ Freight.....	28,502,081.76
“ Mails.....	657,905.26
“ Express.....	909,098.02
“ Parlor and Sleeping Cars	637,642.05
“ Telegraph, Grain Elevators and Miscellaneous, including profit on Pacific Steamships.....	2,248,672.24
Total.....	<u>\$43,957,373.04</u>

STATEMENT OF WORKING EXPENSES FOR THE YEAR ENDED
JUNE 30TH, 1903

Conducting Transportation	\$ 6,434,321.57
Maintenance of Way and Structures.....	6,723,241.17
Motive Power.....	8,989,111.77
Maintenance of Cars.....	2,487,976.69
Parlor and Sleeping Car Expenses.....	144,349.83
Expenses of Lake and River Steamers	470,773.06
General Expenses.....	2,323,315.02
Commercial Telegraph	547,438.15
Total.....	<u>\$28,120,527.26</u>

STATEMENT OF EQUIPMENT AT JUNE 30TH, 1903

Locomotives.....	840
First and second class Passenger cars, Baggage cars, and Colonist sleeping cars.....	725
First class sleeping and dining cars.....	139
Parlor cars, Official and Paymasters' cars.....	45
Freight and cattle cars, (all kinds).....	26,270
Conductors' vans.....	492
Board, Tool and Auxiliary Cars and Steam Shovels.....	984

OCEAN, LAKE AND RIVER STEAMERS.

ATLANTIC SERVICE:

Lake Manitoba	Monteagle
Lake Champlain	Montrose
Lake Michigan	Montreal
Lake Erie	Milwaukee
Mount Temple	Mount Royal
Montcalm	Montezuma
Montfort	Monmouth

PACIFIC SERVICE:

Empress of India
 Empress of Japan
 Empress of China
 Tartar
 Athenian

PACIFIC COAST SERVICE:

Amur	Princess May
Beaver	Princess Victoria
Charmer	Queen City
Danube	R. P. Rithet
Otter	Tees
Princess Beatrice (building)	Yosemite
Princess Louise	

UPPER LAKE SERVICE:

Manitoba
 Athabasca
 Alberta

BRITISH COLUMBIA LAKE AND RIVER SERVICE:

Aberdeen	Schwatka
Kokanee	Slocan
Minto	York
Moyie	Victoria
Nelson	Kootenay
Rossland	

TUGS—Columbia	Valhalla
New Denver	Wm. Hunter
Proctor	Ymir
Sandon	

FERRY SERVICE:

Michigan
 Ontario

DESCRIPTION OF FREIGHT CARRIED

		YEAR ENDED JUNE 30TH		
		1901	1902	1903
Flour	Barrels	3,735,873	4,921,993	5,110,757
Grain	Bushels	32,927,468	52,719,706	63,822,710
Live Stock	Head	945,386	963,742	1,103,686
Lumber	Feet	899,214,646	1,033,569,377	1,190,378,217
Firewood	Cords	204,818	204,963	268,401
Manufactured Articles	Tons	1,954,386	2,288,234	2,665,260
All other Articles	Tons	2,206,970	2,571,136	2,942,736

FREIGHT TRAFFIC

		YEAR ENDED JUNE 30TH		
		1901	1902	1903
Number of tons carried		7,155,813	8,769,934	10,180,847
Number of tons carried one mile		2,383,633,945	3,247,922,167	3,862,242,993
Earnings per ton per mile		0.79 cts.	0.75 cts.	0.74 cts.

PASSENGER TRAFFIC

		YEAR ENDED JUNE 30TH	
		1902	1903
Number of passengers carried		4,796,746	5,524,498
Number of passengers carried one mile		534,777,135	635,855,533
Earnings per passenger per mile		1.75 cts.	1.73 cts.

TRAFFIC TRAIN EARNINGS
YEAR ENDED JUNE 30TH, 1903

	Mileage	Earnings	Earnings per Traffic Train Mile
Passenger (including mixed trains)..	9,699,891	\$12,874,480.00	\$1.33
Freight (including mixed trains)....	14,744,064	27,671,887.20	1.88
Total	23,053,079	\$40,546,367.20	\$1.76

The above earnings of traffic trains include earnings from Mails, Express and Sleeping Cars, but do not include Ocean, Lake and River Steamers, Telegraph, Elevators, Rents, &c., the net earnings from which amounted to \$2,392,794.63.

EXPENSES PER TRAFFIC TRAIN MILE
YEAR ENDED JUNE 30TH, 1903

	Expenses	Expenses per Traffic Train Mile
Maintenance of way and structures.....	\$ 6,723,241.17	0.292
Motive power	8,989,111.77	0.390
Maintenance of cars.....	2,487,976.69	0.108
Traffic and general expenses.....	8,901,986.42	0.386
	\$27,102,316.05	1.176

* Difference from 1st year's report caused by using as "Divisor" the sum of Passenger and Mixed train mileage, also Freight and Mixed train mileage, in accordance with Rules adopted by the Interstate Commerce Commission, the American Railway Association and the American Association of Railway Accounting Officers.

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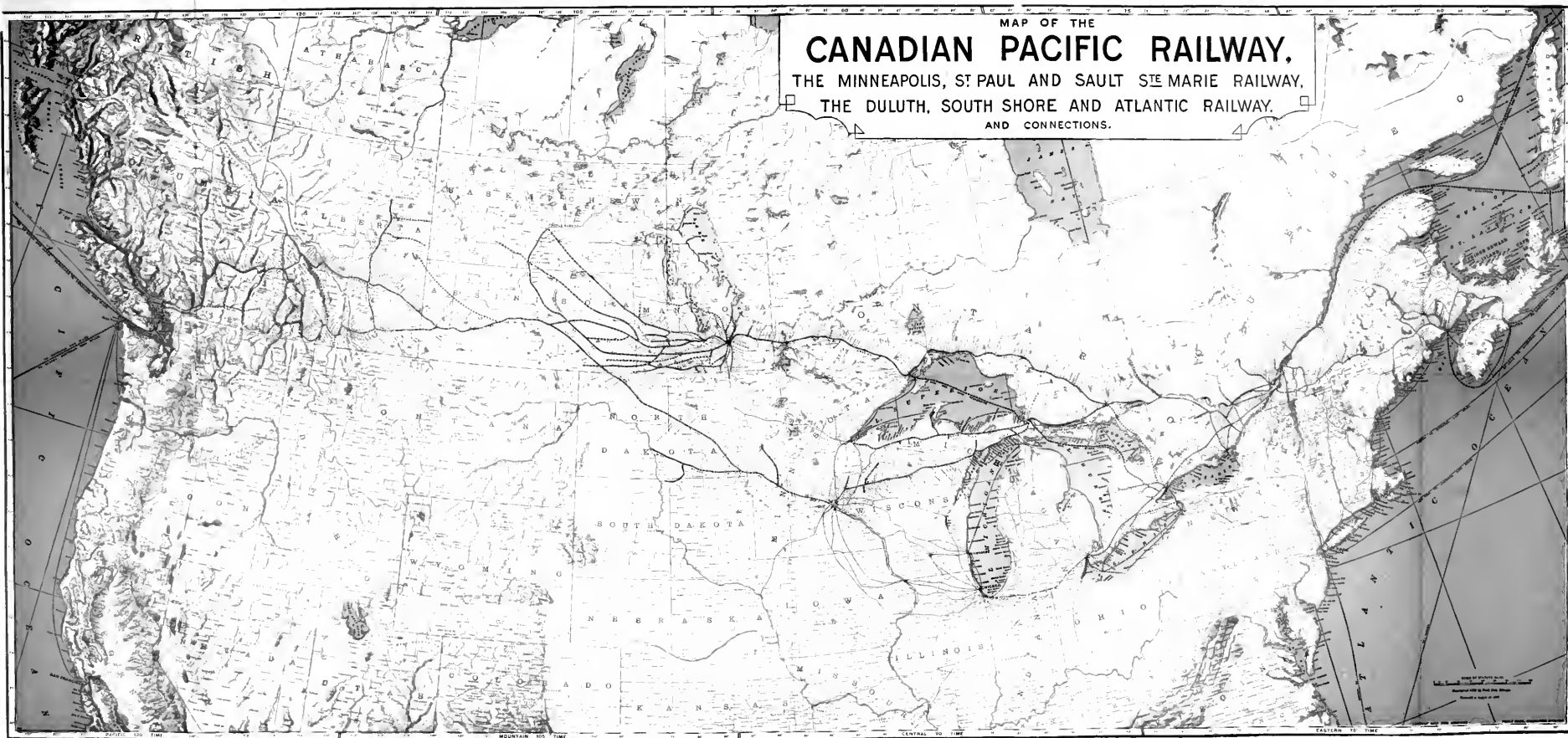
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MAP OF THE
CANADIAN PACIFIC RAILWAY.
THE MINNEAPOLIS, ST. PAUL AND SAULT STE MARIE RAILWAY,
THE DULUTH, SOUTH SHORE AND ATLANTIC RAILWAY,
AND CONNECTIONS.

Revised by the
Geographical and Statistical Office of the
Department of the Interior
Revised in 1900



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